

AMENDED IN ASSEMBLY SEPTEMBER 12, 2003

AMENDED IN ASSEMBLY SEPTEMBER 12, 2003

AMENDED IN ASSEMBLY SEPTEMBER 9, 2003

SENATE BILL

No. 623

Introduced by Senators Ducheny and Karnette

(Principal coauthors: Assembly Members Diaz and Firebaugh)

(Coauthors: Assembly Members Correa, Montanez, and Vargas)

February 21, 2003

~~An act to add and repeal Chapter 4.5 (commencing with Section 6450) to Division 7 of Title 1 of, to add and repeal Section 13997 of, An act to add and repeal Section 13997 of, to add and repeal Chapter 4.5 (commencing with Section 6450) of Division 7 of Title 1 of, and to repeal Article 2 (commencing with Section 6460) of Chapter 4.5 of Division 7 of Title 1 of, the Government Code, relating to international trade, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 623, as amended, Ducheny. International trade.

(1) Existing law provides for various programs in the state for development of opportunities for international trade.

This bill would, until January 1, 2005, require the Governor, upon the availability of sufficient existing resources, to establish an Office of International Affairs and Protocol within the Governor's office under the supervision of a secretary of foreign affairs or similar officer. It would, until that date, provide a process for the establishment of offices of foreign affairs by the office.

(2) Existing law establishes the California State World Trade Commission in the Technology, Trade, and Commerce Agency.

Chapter 229 of the Statutes of 2003 abolishes the agency and the commission on January 1, 2004.

This bill would, upon the availability of sufficient existing resources, nonstate funds, or both, reestablish the commission, with the same membership, as an advisory body to the Governor and the Legislature, and authorize the commission to raise private sector funds for specified purposes.

The bill would authorize the Secretary of Business, Transportation and Housing to accept private donations not in excess of \$10,000 for the purposes of promoting international trade and investment for deposit into an Economic Development and Trade Promotion Account in the Special Deposit Fund which would be continuously appropriated to the secretary.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 4.5 (commencing with Section 6450) is
2 added to Division 7 of Title 1 of the Government Code, to read:

3

4 CHAPTER 4.5. OFFICE OF INTERNATIONAL AFFAIRS AND
5 PROTOCOL

6

7 Article 1. Office of International Affairs and Protocol

8

9 6450. The Legislature finds and declares both of the
10 following:

11 (a) In 2002, California's top export markets were as follows:

12 (1) Mexico, receiving \$16.1 billion in California exports.

13 (2) Japan, receiving \$11.1 billion in California exports.

14 (3) Canada, receiving \$10.1 billion in California exports.

15 (4) Taiwan, receiving \$5.4 billion in California exports.

16 (5) Korea, receiving \$4.7 billion in California exports.

17 (6) Mainland China, receiving \$4.5 billion in California
18 exports.

19 (7) The United Kingdom, receiving \$4.3 billion in California
20 exports.

21 (8) Hong Kong, receiving \$3.7 billion in California exports.



(9) The Netherlands, receiving \$3.6 billion in California exports.

(10) Germany, receiving \$3.5 billion in California exports.

(b) Therefore, is the intent of the Legislature to enact legislation to maintain California's market access with its leading trading partners, thereby giving priority to those partners when establishing overseas trade and relations offices.

6451. Notwithstanding any other provision of law, the Governor shall, upon the availability of sufficient existing resources, establish an Office of International Affairs and Protocol within the Governor's office, under the supervision of a secretary of foreign affairs or a similar officer. The Office of International Affairs and Protocol shall have the following responsibilities:

(a) To oversee, promote, and coordinate California's international, commercial, environmental, agricultural, educational, health, cultural, and tourism interests.

(b) To establish offices of foreign relations, subject to the requirements of this chapter and upon the availability of sufficient nonstate funds, which shall provide support to California business and industry to access international trade and investment opportunities between California and other countries, and carry out activities described in subdivision (a) in the regions they serve.

6452. (a) Each office of foreign relations shall be established ~~only upon prior~~ *no sooner than 30 days after* notification to the Joint Legislative Budget Committee and an appropriate committee in both the Assembly and the Senate to be designated by the Speaker of the Assembly and the President Pro Tempore of the Senate, respectively, and subject to the requirements of this section.

~~(b) Each proposed office of foreign relations shall submit to the Governor and the Legislature a proposed business plan for the office that details all of the following:~~

(b) Each proposed office of foreign relations shall, no less than 30 days prior to its proposed establishment date, submit to the Governor and the Legislature a business plan describing the intended office and its activities and specifying how the office development and maintenance is to be implemented and funded. The appropriate Assembly and Senate committees, as specified in subdivision (a), may convene hearings for review of, and comment

1 *on, the proposed office. In addition, the business plan shall detail*
2 *all of the following:*

3 (1) The clearly delineated geographical area to be served by the
4 office, also known as the region to be served.

5 (2) Actual and potential export markets in the region for goods
6 produced in the state and the type of goods categorized according
7 to consumer sector and economic sector.

8 (3) Leading industries in the region.

9 (4) Other states of the United States that have trade offices, or
10 that have investment, tourism, or export promotion offices in the
11 region.

12 (5) A cost-benefit analysis.

13 (6) Target export industry markets.

14 (7) Stated objectives, goals, and estimated outcome
15 performance.

16 (8) Anticipated and actual sources, and amounts, of funding for
17 the office.

18 (c) (1) Each office of foreign relations established pursuant to
19 this chapter shall be under the direction of a managing director
20 appointed by the Governor. The managing director shall oversee,
21 coordinate, and manage all employees of the office and its
22 day-to-day operations, and shall report directly to the secretary of
23 foreign affairs or similar officer.

24 (2) The Governor shall notify appropriate committees in the
25 Assembly and the Senate, as designated by the Speaker of the
26 Assembly and the President Pro Tempore of the Senate,
27 respectively, 30 days prior to the appointment of a managing
28 director.

29 (3) A managing director shall possess at least three years of
30 experience in international affairs, including knowledge of the
31 social, economic, and cultural issues within the region to be
32 served. In addition, the managing director shall possess, at a
33 minimum, general professional speaking and writing proficiency
34 in the dominant language of the hosting country of the office.

35 (d) Each office of foreign relations established pursuant to this
36 chapter shall communicate with businesses served for the purpose
37 of validating any data that the office is required to include in any
38 report required by this chapter.

39 6353. The Office of International Affairs and Protocol, and
40 any office of foreign relations established pursuant to this chapter,



1 shall report to the Governor and the Legislature, not later than one
2 month after the date of their respective establishment pursuant to
3 this chapter, and by January 1 annually thereafter, regarding
4 strategic policy recommendations and findings in accordance with
5 Section 6451.

6
7 Article 2. California State World Trade Commission
8

9 6460. (a) (1) Upon the availability of sufficient existing
10 resources, nonstate funds, or both, the California State World
11 Trade Commission shall be established as an advisory body to the
12 Governor and the Legislature. To the extent existing resources are
13 available, the commission shall be staffed by the Office of
14 Planning and Research. The commission shall consist of 15
15 members as follows:

16 (A) Nine appointees of the Governor.

17 (B) Three appointees of the Speaker of the Assembly.

18 (C) Three appointees of the Senate President pro Tempore.

19 (2) The Governor, the Lieutenant Governor, the Secretary of
20 State, and the Secretary of Food and Agriculture shall serve as
21 nonvoting, ex officio commission members. In addition, the
22 President pro Tempore of the Senate shall appoint a Senator, and
23 the Speaker of the Assembly shall appoint an Assembly Member
24 to serve as nonvoting, ex officio members of the commission.

25 (b) The members of the commission shall consist of the same
26 persons appointed to the former commission who held their
27 positions on December 31, 2003.

28 (c) All appointments are for a term of two years. If a vacancy
29 occurs either through the expiration of a term, or for any other
30 reason, a replacement shall be named by the respective appointing
31 authority to fill the vacancy. If a term has not expired, the
32 replacement appointee shall serve out the remainder of the
33 unexpired term.

34 (d) All appointees to the commission shall be professionally
35 active in international trade or international economic
36 development, and shall reflect the state's diverse geographic,
37 economic, and cultural makeup.

38 (e) The commission shall be chaired by an appointee of the
39 Governor.

(f) Upon the appointment of the first seven members, the commission may commence formal action pursuant to this chapter.

6461. (a) The commission shall develop and adopt bylaws consistent with this chapter.

(b) The commission may raise private sector funds in accordance with, and for the purposes of, Section 13997, including, but not limited to, supporting the state's international trade infrastructure, the operations of the commission, and the offices of foreign relations.

6462. The commission shall prepare and submit to the Governor and to the Legislature a biennial report on January 15 of every other year. The report shall include, but not be limited to, all of the following:

(a) A description of the commission's activities within the two-year reporting period.

(b) Information and data on relevant trade patterns and trends.

(c) Analyses of major trade issues affecting California's trade performance and an assessment of significant foreign and domestic trade barriers that inhibit the expansion of California's exports.

(d) An action agenda for the next two years, including priorities for research, program expansion, state or federal advocacy, or any other activities that would enhance California's international trade position.

6463. Not later than four months after the date of its establishment pursuant to this chapter, the California State World Trade Commission shall prepare policy recommendations to the Governor and the Legislature that set forth the most appropriate and effective role state government can play in advancing California's interests in the global economy.

Article 3. Operation of Chapter

~~This~~

6464. *This* chapter shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

SEC. 2. Section 13997 of the Government Code, as added by Chapter 229 of the Statutes of 2003, is repealed.

SEC. 3. Section 13997 is added to the Government Code, to read:

13997. (a) (1) The Secretary of Business, Transportation and Housing may accept private sector moneys in an amount not in excess of ten thousand dollars (\$10,000) per donation made to the state for the purposes of promoting international trade and investment, subject to Title 9 (commencing with Section 81000), and not in excess of a total of ten thousand dollars (\$10,000) per quarter per donor. All private sector moneys shall be used for these purposes, but the donor may specify the international trade and investment office, or the office of foreign relations or trade or investment event, for which the private sector money shall be used. The private sector moneys shall be deposited into the Economic Development and Trade Promotion Account, which is hereby established in the Special Deposit Fund in the State Treasury and, notwithstanding Section 13340, is continuously appropriated to the secretary. The secretary may expend moneys in the account, without regard to fiscal years, for the purposes of this section. Moneys in the Economic Development and Trade Promotion ~~account~~ Account may be allocated to an international trade and investment office or office of foreign relations, and if so allocated shall be maintained by that office in an account.

(2) (A) Overhead expenses of an office of foreign relations shall be exempt from the private sector donation cap established in this section.

(B) For purposes of this paragraph, “overhead expenses” means rent, supplies, and the purchase and maintenance of equipment and furniture.

(3) Records of donations received and expenditures made pursuant to this section shall be subject to public disclosure.

(b) An entity using funds allocated pursuant to subdivision (a) shall memorialize the payment in a written record that does the following:

(1) Identifies the donor and the official or officials receiving or using the payment.

(2) Describes the use and the nature and amount of each payment.

(3) Is filed with the Business, Transportation and Housing Agency, which maintains the records of the entity’s statements of

- 1 economic interests, and the filing is done within 30 days of the
- 2 receipt of the payment by the agency.
- 3 (c) Nothing in this section shall affect any requirement of the
- 4 Political Reform Act (Title 9 (commencing with Section 81000)).

O

